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POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS

PRC STATE COUNCIL BULLETINS

No 17, 10 JULY; No 18, 20 JULY 1986

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CHINA REPORT
POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS

PRC STATE COUNCIL BULLETINS

No 17, 10 July; No 18, 20 July 1986

Beijing ZHONGHUA RENMIN GONGHEGUO GUOWUYUAN GONGBAO [PRC STATE COUNCIL BULLETIN] in Chinese 10 Jul, 20 Jul 86

[This volume contains selected translations from the PRC STATE COUNCIL BULLETIN. Items marked (previously published) and (previously covered) have appeared in other JPRS or FBIS publications, and are cross-referenced wherever possible.]

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WANG MENG NAMED CULTURE MINISTER

Beijing STATE COUNCIL BULLETIN in Chinese No 17, 10 Jul 86 p 540

[PRC Presidential Decree No 42]

[Text] In accordance with the decision adopted by the Standing Committee of the 6th NPC at its 16th Session on 25 June 1986:

Wang Meng [3769 5536] is appointed Minister of Culture.

Zhu Muzhi [2612 4476 0037] is relieved of his duties as Minister of Culture.

Li Xiannian,

President of the PRC

25 June 1986

/8309

CSO: 4005/408

STATEMENT ON SOUTH AFRICAN 'STATE OF EMERGENCY'

Beijing STATE COUNCIL BULLETIN in Chinese No 17, 10 Jul 86 p 540

[Statement by the PRC Foreign Ministry on South Africa's "Declaration of a State of Emergency" (25 June 1986)]

[Text] On the eve of the commemoration by the people of South Africa of the 10th anniversary of the Soweto massacre, the South African authorities declared "a state of emergency" on 12 June, giving the military police unlimited power. They carried out ruthless oppression against the people of South Africa, and hundreds of leading figures and activists in the fight against apartheid were unjustifiably arrested. The government and people of China express great indignation at and strong condemnation against the barbaric acts of the South African authorities in strengthening their racist rule and suppressing the people of South Africa. As in the past, the government and people of China will unswervingly side with the people of South Africa and continue to support their just struggle until victory is won.

The wild attempt of the South African authorities to stop the people of South Africa from commemorating the 10th anniversary of the Soweto massacre and stamp out the flames of their struggle against apartheid with bloody suppression can never be realized. The perverted acts of the South African authorities go against the tide of the world, will only further arouse the people of South Africa into stronger indignation and resistance, and impel all justice-upholding countries and peoples the world over to give stronger backing and support to the struggle of the people of South Africa.

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CSO: 4005/408

REPORT ON AUDITING WORK IN 1985 TO NPC STANDING COMMITTEE

Beijing STATE COUNCIL BULLETIN in Chinese No 18, 20 Jul 86 pp 553-558

[Report on Auditing Work in 1985 (delivered by Lu Peilian, Auditor General, at the 16th Meeting of the 6th NPC Standing Committee on 20 June 1986)]

[Text] Chairman, vice chairmen and fellow members,

I have been entrusted by the State Council to make a report on auditing work in 1985 to the NPC Standing Committee.

In 1985 the Auditing Administration was in its third year since its establishment. That year, the auditing organ began to shift the emphasis of its work to the supervision of auditing work after setting up the basic structures. The party Central Committee and the State Council both attached great importance to auditing the work of auditing. During the National Conference on Auditing Work held in March 1985, Premier Zhao Ziyang gave an instruction saying that the more invigorated the economy was, the more necessary it was to strengthen management and supervision, and the work of auditing was an important and indispensable aspect of the strengthening of management and supervision. When the Central Committee and the State Council heard the report on the work of party rectification in the Auditing Administration in July, they made a number of decisions on a series of major issues in the work of auditing, and further defined the guiding ideology, principles, and priorities of the work of auditing. After the guidelines of the directive of the Central Committee and the State Council were transmitted to them, local party committees, NPC standing committees and governments at all levels began to attach greater importance to the work of auditing and further strengthened their leadership over it. In many places, the local NPC standing committees or governments have adopted decisions on further strengthening audit supervision by means of auditing, stressing that audit supervision must play its part in maintaining financial and economic law and discipline, bringing about a turn for the better in party workstyle and in the general mood of society, and strengthening macroeconomic control. Auditing organs at all levels and the vast number of auditing cadres have conscientiously implemented the guidelines of the Central Committee and the State Council, and are beginning to see notable results.

I. Notable Progress Has Been Made in Auditing Work

With a view to bringing about a turn for the better in party workstyle and in the general mood of society and ensuring the smooth progress of our work of invigorating the domestic economy, opening to the outside world, and restructuring the national economy, auditing organs at all levels have, since last year, been making concentrated efforts on grasping major problems of violation of financial and economic discipline, such as fraud and the exploitation of loopholes in the reform. Statistics show that of the more than 66,000 units across the country audited in 1985, many had funds of dubious sources, and it was found that over 2.82 billion yuan should have been handed to the Ministry of Finance.

In our auditing work last year, we began in a planned way to audit the outlays and special funds of a number of trades and professions. At present, there are cases where shortages are felt in the amounts of outlay and special funds while funds are being squandered and lost due to waste. According to auditing carried out in more than 2,200 educational units by auditing units in 12 provinces and cities, over 82 million yuan have been unlawfully diverted to other uses, such as building offices, dormitories, and guest houses, buying motor vehicles and setting up companies. In the provinces of Shandong, Henan, Anhui, and Zhejiang and in the city of Tianjin, the auditing organs discovered in their auditing of the 1984 outlay for highway maintenance that more than 101 million yuan, or 9.6 percent of that year's revenue, had been diverted to other uses, and that highway maintenance fees amounting to 59 million yuan were either short paid, not paid, or withheld. Auditing organs in various places discovered when they audited the outlay for water conservancy construction in 556 counties that more than 77 million yuan, or 9 percent of the outlay, were diverted to other uses. In some places, even funds for flood prevention were embezzled and spent on such things as purchasing small motor vehicles. In conjunction with the departments concerned, the Auditing Administration audited the 1984 outlay for urban maintenance and construction in the cities of Wuhan, Xian, Jinan, Zhengzhou, Shijiazhuang, and Changzhou. It was found that some 90 million yuan, or 30 percent of that year's expenditure, were misspent. The report of the Auditing Administration on the auditing of the outlay for education and the funds for highway maintenance, which has been circulated by the State Council to various localities and departments, calls for more earnest efforts to study ways of improving the work of management.

Serious and major cases of violation of financial and economic discipline uncovered in auditing work have been investigated and dealt with in all seriousness. For example, in the departments of grain, some units have been capitalizing on the multitier pricing of foods and oils to illegally obtain state subsidies for above-quota purchases. Problems like this are serious. In accordance with the instructions of the leading comrades of the State Council, the auditing organs at all levels, in conjunction with the departments concerned, audited more than 9,200 units and discovered fraudulent funds amounting to 71 million yuan. According to incomplete statistics, 421 cases of fraud, each involving sums in excess of 1 million yuan, and 127 cases of corruption each involving sums in excess of 10,000 yuan, were brought to light last year. A total of 992 responsible persons were duly disciplined and fined. The investigation and handling of these serious and

major cases produced quite a shock and impelled the cadres to strengthen their concept of observance of law and discipline. This has prompted a change for the better in the party workstyle and in the general mood of society.

Auditing was carried out in units running projects funded by loans from the World Bank. China is making increasingly greater use of loans from the World Bank these past years. At the request of the World Bank, the application and benefits of the loans have to be audited by state auditing organs and auditing reports have to be submitted. Last year 254 such projects required auditing, and by now all the executive units concerned have been audited. Problems of irregularities in the application of loans for cultural, educational and agricultural projects have been promptly brought to the attention of the units concerned so that improvements and changes can be made. The auditing report submitted by the Auditing Administration has been assessed and examined by the World Bank and found to be in conformity with international auditing norms. The auditing of projects funded by World Bank loans has made it imperative for the units concerned to make better use of their loans and has enhanced China's good name in the application of loans.

In the last quarter of last year, the State Council decided to launch a nationwide inspection of taxation, financial affairs, and commodity prices. The Auditing Administration and local auditing organs at all levels accordingly transferred some of their backbone cadres to man the inspection general office, and assigned a large number of cadres to join the inspection groups, thus combining auditing work with the large-scale financial inspection.

Financial and economic discipline has been strengthened after measures were taken by the Central Committee and the State Council last year to rectify undesirable practices. However, because the party workstyle and the general mood of society are yet to see a fundamental turn for the better, because some measures of economic restructuring are not very suitable and are far from perfect, and because some financial and economic management departments are not very strict in policing the law, some people and units have been availing themselves of loopholes in the reform to practice fraud. Thus, the violation of financial and economic discipline still remains a salient problem. Most of the audited units have been found to have violated financial and economic discipline to varying degrees. Some units with the authority to manage financial and economic affairs are abusing their power to benefit their own small cliques or themselves. Thus, in the future we must greatly strengthen audit supervision, wage a struggle against the violation of financial and economic discipline, and work for the reform of the economic structure and the rectification of the party workstyle and the general mood of society.

II. The Infrastructure of Auditing Has Been Strengthened

Since our auditing organs have had such a short history, the infrastructure upon which we work is poor and needs to be built up step by step to create the conditions for the future development of auditing work. Since last year, our auditing organs at all levels have concentrated on grasping the following tasks:

1. The key to doing a good job of auditing lies in having qualified personnel. In order to strengthen the contingent of auditors, the State Council last year gave the green light for auditing organs across the country to increase the size of their establishment by 20,000 people to make a total of 50,000. By the end of last year, we had a staff of 29,000 people, 5,000 more than at the end of 1984. We expect the number to reach the region of 40,000 by the end of this year, and will strive to become fully staffed next year. Auditing organs at different levels have run 270 training courses and trained more than 10,000 auditors. At present, 29 universities and colleges across the country are offering auditing courses, and 1,800 students are studying for these courses. The number of our existing auditors and the scale of training still fall quite short of the needs of the development of auditing.

2. In order to ensure that the auditing organs can independently exercise their power of audit supervision, the State Council approved and circulated in October last year the "Report on the Question of Improving the Leadership over Local Auditing Work and Setting Up Agencies" submitted by the Auditing Administration. The following improvements have been made in the leadership structure of auditing organs: First, the Auditing Administration is to strengthen its leadership over local auditing work. Local auditing organs must implement the decisions on auditing work adopted by the Auditing Administration. Where the decisions or instructions of the local government contravene those of the Auditing Administration, the latter shall prevail. The Auditing Administration has the power to rectify conclusions and decisions inappropriately drawn by the local auditing organs. The appointment, dismissal, and transfer of the chiefs and deputy chiefs of auditing bureaus of provinces, autonomous regions, and municipalities directly under the central authorities, and the meting out of disciplinary sanctions against them, have to be approved by the Auditing Administration in advance. Second, the Auditing Administration shall assign special auditors and set up offices in key areas and enterprises, and they are authorized by the Auditing Administration to carry out audit supervision. At present, special auditors have been assigned to the cities of Shanghai, Guangzhou, Wuhan, and Shenyang on a trial basis, and they are now organizing the setting up of organs and launching their work.

3. Internal auditing in departments and units is gradually unfolding. Internal auditing is an important means which departments and units can rely on to strengthen internal control, strictly enforce financial and economic discipline, improve management and operation, and achieve better economic results. According to incomplete statistics, more than 10,000 internal auditing organs have been set up across the country. In addition to an auditing bureau set up within the ministry office, the Ministry of Water Resources and Electric Power has also set up agencies in various major power networks to carry out on-the-spot audit supervision over the networks. Last year, frauds amounting to more than 180 million yuan were uncovered, of which some 106 million yuan should have been handed over to the financial departments. Last year, the internal auditing organ of the Ministry of Railroads audited over 900 units and uncovered many problems involving the violation of discipline, with some 27 million yuan which ought to have been handed over. The Anshan Iron and Steel Co also did a good job of its internal auditing. After the large-scale financial inspection, frauds amounting to over 26 million yuan were uncovered in its subordinate units.

The work of internal auditing in many units is also progressing well, and is playing its part as adviser and assistant to the leadership in maintaining financial and economic discipline, achieving better economic results, and so on.

4. With respect to legislation, the State Council has formulated the "Provisional Regulations for Auditing Work." In accordance with the provisional regulations of the State Council, the Auditing Administration has devised some methods of implementation so that we have some tentative rules and regulations to go by in our auditing work.

5. In order to study and learn from the experience of foreign countries in auditing work, we have actively launched international exchanges in the field of auditing. In the 2 years since the establishment of the Auditing Administration, delegations have been sent abroad for purposes of observation, and the responsible persons of auditing organs in 12 countries have been invited to visit us. We have also established ties of friendship and cooperation with Canada, Australia, Spain, and the FRG in the realms of personnel training, professional exchanges, and so on. In 1985, China dispatched a delegation of auditors to take part in the meeting of the Asian regional organizations of supreme auditing bodies. Through these international exchanges, we have drawn on each other's experience, broadened our horizons, and gained a good many useful inspirations on the launching of auditing work in our country.

6. Since their establishment, auditing organs at all levels have paid attention to the promotion of ideological and cultural progress and stressed the need to foster a good workstyle. After the directive of the Central Committee and the State Council on auditing work was circulated to them last year, the vast numbers of auditing cadres were greatly inspired, and their mental outlook underwent a gratifying change. They love auditing, have great confidence in opening up a new prospect for auditing, carry forward the fine tradition of plain living and hard struggle, and take loyalty to one's duty, seeking truth from facts, and being impartial and honest in performing one's official duties as their code of conduct. In the efforts to promote ideological and cultural progress, a number of advanced units and individuals have emerged from the auditing system. For example, among the 113 auditing organs in Shanxi Province, 31 have been assessed ideologically and culturally advanced units by governments at various levels. Comrade Liu Lin [0491 2651], head of the Mentougou District Auditing Bureau in Beijing, upheld principles and resisted all kinds of pressure when carrying out auditing in the Beijing Mining Bureau where a few leading cadres had violated financial and economic disciplines. With the support of the municipal leadership, he managed to urge the departments concerned to have these people seriously dealt with.

Although notable achievements have been made in auditing work over the last 2 years, we are on the whole still beginners, and difficulties, problems, and shortcomings still abound. Our present force of auditors is appallingly inadequate. From the time the Auditing Administration was established to the end of last year, only some 81,000 auditing units have been set up in the

country. This number is only 4 percent of the 2 million units requiring auditing and falls far short of needs. In its leadership, the Auditing Administration has rarely carried out in-depth investigation and study or summed up typical experience, and has not given sufficient concrete guidance to the local auditing organs in their work. Some of the problems uncovered through auditing cannot be dealt with due to abnormal intervention. In the course of the economic reform, new situations and new problems are encountered in auditing. This is particularly true when some policies have not been clearly defined. Earnest efforts must be made to study them and work out solutions.

III. Further Bring Into Play the Role of Audit Supervision

Our country is at present in excellent form politically and economically. As pointed out in the report on the Seventh 5-Year Plan adopted at the Fourth Session of the Sixth NPC, during the "Seventh 5-Year Plan," we must persevere in giving priority to reform, strengthen and improve the system of indirect control in the macroeconomy, persist in grasping ideological and cultural progress and material progress simultaneously, rectify the party workstyle and the general mood of society, and create a good economic and social environment for reform and construction. Audit supervision should develop around this central task. In the light of the guidelines of the directive of the Central Committee and the State Council and the fact that auditing organs have had such a short history, the National Conference on Auditing Work convened at the close of last year defined the working principle for the auditing organs for some time to come in these words: "Grasp the key points and lay the foundation." What is meant by grasping the key points is that centering around the central task of the party's economic work, we must grasp those vital problems that may affect or interfere with the reform of the economic structure in order to ensure the steady growth of production and the smooth progress of the economic reform. What is meant by laying the foundation is that we must strengthen the ranks of auditors, train people, amplify the necessary rules and regulations, improve the auditing system, strengthen the promotion of ideological and cultural advance, and create the necessary conditions for the development of auditing work in the future. At present, auditing organs at various levels are conscientiously implementing this principle. With a view to effectively strengthening audit supervision, we are also making the following suggestions:

1. Auditing work must serve the reform of the economic structure. The more invigorated the economy is, the more necessary it is to strengthen audit supervision. In view of the present reality, we must take the maintenance of financial and economic discipline as the priority of auditing work and eliminate interference if we want to ensure the smooth progress of reform. In the course of the interaction of the new and old structures in the economic reform over the last 2 years, some people ignored the larger issues, exploited the loopholes, and practiced fraud against the state for the interests of their small cliques or to feather their own nests, thus obstructing the progress of the economic restructuring. Some localities and units ignored the financial

capabilities of the state, practiced formalism, and willfully squandered state resources through their extravagance. Some even embarked on non-productive projects of a high standard by unwarranted methods of apportioning expenses or raising funds. They have gravely departed from the masses and corrupted morale. Some localities, departments, and units threw macro-economic control into disarray either by raising and using funds without authorization and willfully enlarging the scale of investment in fixed assets or by amplifying the basic factors of consumption. Auditing organs at various levels must grasp these problems which are fast becoming a trend and, through the auditing of financial revenue and expenditure, carry out investigations and take actions in conjunction with the departments concerned in accordance with the relevant rules and regulations of the state.

2. We must have a good grasp of the party's policies when investigating and dealing with violations of discipline. Auditing organs at all levels must uphold the principles and seriously investigate and deal with grave violations of financial and economic discipline, especially when they involve leadership organs and leading cadres. Those responsible should be reported to the party and government leadership with the suggestion that they be dealt with severely. When investigating and handling violations of discipline, it is necessary to take into consideration the complicated circumstances of the economic restructuring and uphold the workstyle of seeking truth from facts. A clear line of demarcation must be drawn between errors made in the course of reform and acts of exploiting the loopholes of reform to engage in malpractices. We must be prudent when handling new situations and problems arising during the reform, as well as problems which involve the interests of the broad masses. If we cannot perceive the nature of the problem offhand, we must conduct serious investigations and study and seek advice from higher authorities. We must not be too hasty. We should concentrate on investigating and handling violations that have taken place in the last couple of years. We should support and protect the implementation of reform measures that are conducive to the development of social productivity through auditing work. Units that have excelled in reform should set themselves up as exemplary models in observing law and discipline. Should they be found to have violated the disciplines, they should be dealt with in accordance with the party's policies. We must affirm their achievements and protect their enthusiasm for reform while upholding the principle of everyone being equal before they are disciplined, and help them rectify their errors. This is very essential for protecting the honor of the advanced units.

3. Audit supervision should be regularized and institutionized step by step. Following the strengthening of auditing organs in the last 2 years and more, the area covered by auditing has gradually expanded. At present, 21 provinces, autonomous regions and municipalities governed by the central authorities, including Hubei and Anhui, are carrying out auditing in administrative units and institutions on varying scales. In some places, this has been extended on a trial basis to enterprises. The experience gained in various localities shows that regular auditing has many good points. For instance, violations of financial and economic discipline can be uncovered, stopped, and rectified in good time, thus reducing the waste and loss of our country's financial and

material resources. It impels various departments and units to observe law and discipline in financial and accounting matters, and helps financial and accounting personnel to discharge their duties in accordance with law, thus raising the level of financial management. Making it clear that the revenue and expenditure of state organs and state-run enterprises and institutions must be subject to the supervision of auditing organs helps to build up the authority of the auditing organs. Regular audit supervision, when strengthened, can, step by step, replace the present system of annual large-scale financial inspection. Our auditing organs are at the present stage by far too short-handed to cope with regular auditing on a national scale. We plan to gradually popularize the practice when we are more fully staffed, and we hope to regularize and institutionalize auditing work on a full scale in a few years' time.

At present, 12 provinces and autonomous regions have instituted, on varying scales, a system of auditing the economic responsibilities of factory directors (managers) at the time they leave their posts. The main thing is to find out by means of auditing if the claims of profit or loss are true and whether revenue and expenditure are lawful. The assessment of the economic responsibilities of the director is a good thing in that it closes the file on the old and helps the new director to better understand the situation in the enterprise and absorb experience and lessons. It has actually become an effective backup measure for the implementation of the system under which the director or manager assumes full responsibility. This method should be actively promoted before the auditing of state-run enterprises by auditing organs becomes a regular practice.

4. Leadership over the auditing organs should be further strengthened. Practice over the last 2 years and more shows that an important reason why some places have done well in auditing work is that they have had the concern and support of the party and government leadership. The auditing organs at all levels are now facing a lot of difficulties. Party committees and governments at all levels must further strengthen their leadership over these organs, allocate sufficient well-qualified men to fit out their leading groups, replenish the ranks of backbone cadres well versed in that particular line of work, support the auditing organs in independently exercising their power of audit supervision in accordance with law, and help them in the solution of practical problems. At the same time, auditing organs should be helped to set up social auditing bodies on a trial basis by getting the auditing force in society organized so that they can play their role under the management and guidance of the auditing organs.

Please examine and discuss the above report and give comments on what is found to be inappropriate.

/8309

CSO: 4005/409

STIPULATIONS ON ALLEVIATION OF PORT CONGESTION

Beijing STATE COUNCIL BULLETIN in Chinese No 18, 20 Jul 86 pp 570-571

[Supplementary Stipulations of the State Council Leading Group in Charge of Sea, Land, and Air Ports Concerning the Alleviation of Port Congestion (15 May 1986)]

[Text] The "Stipulations Concerning the Alleviation of Port Congestion" (hereinafter referred to as "Stipulations") have played a definite part in strengthening the planned management of foreign trade shipments, speeding up the dispersal of goods congested at the ports and improving the economic returns since they were implemented. In the course of implementation, however, some ambiguities were found in the "Stipulations." In order to do a still better job of alleviating port congestion, the following supplementary stipulations are hereby made with the consent of the departments concerned.

1. For the purpose of maintaining the solemnity of planning the monthly balanced shipment plans formulated by the Ministries of Communications, Railroad and Foreign Economic Relations and Trade must be strictly enforced. Shipment plans submitted must conform to the reality of the units that submitted them. When items are added to the monthly shipment plans after the striking of balance and the plans fall through, the units that submit the plans shall be fined 50 cents per ton. Those failing to fulfill their plans due to objective reasons shall be exempted from fines.

2. Some points concerning fines in the "Stipulations."

a) Where goods in large quantities that arrive at a port at the same time are concerned, if the monthly average of the annual plan is exceeded by 15 percent or more, the company that ordered the goods shall be fined in accordance with the "Stipulations."

b) The owner of cargo arrivals not covered by the annual shipment plan and included in supplementary plans as required by relevant rules and regulations shall be fined in accordance with the "Stipulations."

c) Those failing to submit monthly plans in accordance with relevant rules and regulations shall be dealt with as acting without plans in accordance with the "Stipulations." Where the vessel is dispatched by our side, the shipping company shall be fined; where the vessel is dispatched by the opposite side, the company that placed the order shall be fined.

3. As regards arrivals covered by the plan that involve loading and unloading at two or more ports, the shipping agent at the previous port of call shall inform the movements of the vessel at the next port to the shipping agent at that port and report to the port office, port administration, and relevant units there. Those shipping agents that fail to do so in time shall be criticized by their respective forwarding or shipping corporations in circulars.

4. Monthly plans of ship and cargo arrivals already balanced by the Ministries of Communications, Railroad, and Economic Relations and Trade shall be circulated in a unified way by the Ministry of Communications, with copies sent to the transport bureaus of the Ministries of Railroad and Foreign Economic Relations and Trade and the Port Office of the State Council. After receiving the monthly plans circulated by the Ministry of Communications, the port administrations must promptly dispatch copies to the local port offices, stations and shipping companies. The local port offices shall take the text of the monthly plan circulated by the Ministry of Communications as the basis on which to carry out supervision, inspection, and impose fines on shipments not covered by the plan. The monthly loading and unloading plan of the railroad department at the ports shall continue to be in force.

5. Monthly shipment plans are concrete guarantees for the implementation of the annual shipment plan. All ports, railroads, and cargo owners (agents) must assume their respective responsibility and organize work in accordance with the monthly balanced plan.

a) Arrivals must be covered by the monthly plan, and no "above monthly quota vessels" shall be allowed. The Ministry of Communications shall take the presence or otherwise of "above monthly quota vessels" as the principal criterion for port assessment and carry out inspection regularly. If "above monthly quota vessels" are due to reasons of the port authorities, the Ministry of Communications shall issue the notice of criticism; if they are due to shipping reasons, the Ministry of Foreign Economic Relations and Trade.

b) The fulfillment of monthly railroad shipment plans must be ensured. If the responsibility for failure to fulfill these plans rests with the railroad departments, the competent authorities of the railroad departments shall issue the notice of criticism.

c) Apart from those within the prescribed limits (sundry goods of up to 500 tons and bulk goods of up to 1,000 tons), arrivals that go against the rational flow of goods at a given port shall not, in principle, be cleared by the railroad departments. In special circumstances, approvals may be obtained from the competent departments of the Ministry of Railroad. Otherwise, economic losses shall be a matter of one's own risks.

d) The signing of bilateral or multilateral economic agreements between the port units concerned is an essential means for arousing the enthusiasm of all quarters and for speeding up the turnover of trains, ships and goods. The port offices at various ports must make positive efforts to properly organize this work.

6. In order to ensure the berthing and loading and unloading of arrivals covered by the plans, the signing of provisional single-dispatch agreements must be strictly kept under control. Arrivals not covered by the plans shall not be eligible for the signing of dispatch agreements. All harbors shall act strictly in accordance with the "Procedures for Dispatch and Delayed Loading and Unloading of Foreign Trade Vessels at Chinese Ports" promulgated by the Ministry of Communications.

7. The provisions regarding fines referred to in the "Stipulations" and the present supplementary stipulations shall apply to the ports of Dalian, Qinhuangdao, Tianjin, Qingdao, Lianyungang, Shanghai, Huangpu, and Zhanjiang.

8. The present supplementary stipulations shall go into effect as of 1 July 1986.

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PRC STATEMENT ON DPRK PROPOSAL FOR NONNUCLEAR ZONE IN KOREA

Beijing STATE COUNCIL BULLETIN in Chinese No 18, 20 Jul 86 p 572

[Statement of the PRC Foreign Ministry Spokesman on the Statement of the DPRK Government on 23 June (25 June 1986)]

[Text] On 23 June, the DPRK Government issued a statement proposing the setting up of a nonnuclear peace zone on the Korean Peninsula. We think that this proposal of the DPRK Government reflects the sincere aspirations of the Korean people to see the easing of the situation on the Korean Peninsula and the realization of lasting peace on the peninsula, and conforms with the fundamental interests of all the Korean people.

We have always maintained that the United States should withdraw from South Korea all its troops and military equipment, including nuclear weapons. We hope that the U.S. Government and the South Korean authorities will take the peace proposal of the DPRK Government into serious consideration in order to ease the tension on the Korean Peninsula.

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END